

Audit of outsourced activities in your Bank covers audits of vendors engaged in providing ATM services, Corporate Business Correspondents (BC), Individual BCs and CSPs, Recovery and Resolution agents, Cash Management Services, Cheque Book Printing, Collateral Management, Marketing of Loan proposals, Registrar and Transfer Agents amongst others.

Your Bank has engaged the services of 57,728 individual BCs and CSPs under financial inclusion plan, of which 28,864 units were audited during FY2020.

RFIA of Corporate Centre departments

Your Bank has taken an initiative to create a new audit wing at IAD to assess the aggregate risk and maintain an audit oversight at macro level. It audits your bank's adherence to various Regulatory Compliances and risk mitigating measures undertaken to keep your bank safe & secure.

Management Audit

Management Audit covers identified Corporate Centre establishments / Circle's Local Head Office / Regional Rural Banks sponsored by your Bank. The Strategy, Processes and Risk Management at auditee units are covered under the audit.

C. COMPLIANCE RISK MANAGEMENT

Your Bank gives utmost priority to meeting the Regulatory and Statutory compliances. Towards this end, your Bank has completely revamped its compliance architecture to ensure a sharper focus for tracking areas that are increasing the compliance risks and for taking quick remedial steps.

A deep-rooted compliance culture is crucial for your Bank to manage its compliance risk effectively, and this is being strengthened through various forms of communication and interactions across the organisation.

To forestall any compliance risk, all products, processes, and policies are vetted from the Regulatory perspective before they are operationalised. A Compliance Risk Management Committee, comprising of Senior

Executives from business verticals and support functions, maintains oversight on all compliance-related issues. The committee meets regularly and extends necessary guidance to all the internal stakeholders for ensuring Regulatory compliance.

Compliance testing of RBI's regulations and remediation of gaps, if any, is regularly carried out. The testing universe is being expanded to ensure that the control mechanisms are in place to comply with all the regulatory requirements.

D. KYC/AML-CFT MEASURES

Bank has a Board approved KYC Policy, in line with the extant RBI Master Direction. The Policy incorporates Bank's approach to KYC, AML and CFT issues. Bank has taken steps to implement provisions of Prevention of Money-Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended from time to time.

The policy contains Banks framework for Customer Acceptance, Risk Management, Customer Identification and Monitoring of Transactions. Bank has put in place a robust system containing a combination of manual and system enabled methodology to ensure KYC compliance. No account is opened, in anonymous or fictitious/benami name or where the Branch/Business unit is unable to apply appropriate CDD measures. However, while implementing the policy, Bank takes care that it does not result in denial of banking services to those who are financially or socially disadvantaged.

AML CFT Deptt of the Bank takes care of ongoing due diligence through transaction monitoring. Bank follows a risk-based approach wherein Customers are categorized as low, medium and high risk, based on the assessment and risk perception. Bank takes care of filing of obligatory reports to Financial Intelligence Unit-India (FIU-IND). Suitable reports are also filed on priority in cases of accounts, suspected of having terrorist links.

Several initiatives are put in place to bring greater awareness amongst the staff. Ongoing employee training programmes are conducted by the Bank so that the members of staff are adequately trained

in AML/CFT policy. AML-CFT Day is being observed on 2nd November every year wherein pledge is taken on that day at all branches/processing centers and Administrative Offices. Similarly, 1st August is observed as KYC Compliance and Fraud Prevention Day.

E. INSURANCE

State Bank of India has set up an Insurance Cell for covering your Bank's assets and other risks, by proper procurement of insurance coverage. Additionally, insurance Policy to cover cyber risks for US\$100 million is obtained. Similarly, insurance cover for Debit Card and Electronic Banking transactions are taken for covering the risk/cost of your Bank. RBI's instructions on limiting customer's liability on Debit Card Electronic Banking transactions are complied with.

4. OFFICIAL LANGUAGE

Innovative initiatives are taken by State Bank of India to propagate the use of the official language

State Bank of India is present all over the world through its more than 22,000 branches, over 58 thousand ATMs, about 200 foreign offices and various banking channels. About 2,06,000 staff members of your Bank (except subordinate staff) are committed to propagating the use of official language in the banking industry through all the channels established by your Bank.

Efforts made for the entire banking industry

- On the direction of the Department of Financial Services, the IT Committee headed by State Bank of India was formulated, and its first meeting was held at the State Bank Building, Corporate Centre, Mumbai wherein General Managers (IT) of all banks participated. The 16 items to be implemented in all the PSU banks relating to customer service, the website of banks, amongst others were finalised. On this, all PSU banks have made systematic efforts, and positive results are now visible in this sector.
- Your Bank recently developed an account opening form for all banks on behalf of IBA on the direction of Department of Financial Services,

which has been made available in a bilingual form (Basic Savings Bank and Current Account Opening Form).

- The customer request form has been devised in Hindi for excellence in customer service.
- A workshop on leadership development for executives and senior officers of all banks was organised by State Bank of India Leadership Institute, Kolkata under the aegis of the Department of Financial Services.
- With the innovative vision of your Bank, an audio version of the renowned banking magazine 'PRAYAS' released. The Department of Official Language, Ministry of Home Affairs, Government of India has uploaded it in 'exemplary works' on its website.

Innovative Steps on Technical Platform

Your Bank has continuously developed a digital platform as per the expectations of an increasingly digital India. Its various products are being made available in various Indian languages along with Hindi.

- The monthly performance reporting system of Rajbhasha Officers has been developed in the CDS system of your Bank
- Bank's revamped website 'BANK. SBI' is launched in Hindi and English both the languages
- BHIM Pay SBI made available in Hindi, Tamil and English
- The YONO Krishi App has been made available in four Indian languages, that is, Hindi, Tamil, Telugu and Malayalam
- The call centres are currently providing solutions in 13 languages, with more than 80 % of the queries are being made in Indian languages
- State Bank of India has made a useful adjustment of Hindi with CBS. Customers have been given the option of Hindi and English. On the same basis, SMS is sent to them in the required language. The loan agreement forms are available in CBS in Hindi. It is adjusted with the original database whether it is home loans, car loans, SME loans, amongst others.

- The ATM screen required by the Department of Financial Services and its slip has the option of Hindi and local language. Also, passbook printing, net banking, Statement of account, amongst others, are being provided in Hindi.

Development of Banking Literature in Hindi

Your Bank is publishing banking literature in Hindi and is also being made available online, names of some of the important publications are given below:

- The Code of Ethics, the Right to Information Act (updated up to 1st March, 2019), Marketing Manual Section 2, Pradhan Mantri Fasal Bima Yojana, Standard operating Guidelines, Official Language Manual, Code for Fair Lending Practices, 'VYAVSAAY HAMAARA-SAATH AAPKA' book for SME customers have been published
- Forms and procedural literature of all government schemes have been provided in the official language

Various Programs for Dissemination of OL

The Official Language Fortnight and World Hindi Day were also organised by foreign offices along with offices located in the country. Hindi quiz competition for colleges at Mumbai held in September 2019. Official Language Officers' Conference held in Kolkata in June, 2019. First power talk in Hindi on Office 365 organised, which was addressed by eminent scholar and Microsoft's Director (Localisation) Shri Balendu Sharma Dadhich.

- All India Conferences on Indian Poetry held in Guwahati and Bhubaneswar in October, 2019
- 417 Hindi workshops held across the country

Separate Vertical for Rajbhasha Officers

A separate vertical has been set up for Rajbhasha Officers including specialist officers up to the level of Deputy General Manager-cum-Chief Rajbhasha Officer as per the instructions of the Department of Financial Services, Ministry of Finance, Government of India.

Recognition and Awards

As a result of the above remarkable performance, your Bank received the following awards and recognition from the Government of India, the Reserve Bank of India and other institutions:

1. First Prize for Best Official Language Implementation from DFS, Min of Fin, Gol
2. TOLIC, Bhubaneswar, convened by your Bank ranked 2nd in Rajbhasha Kirti Awards by MHA, Gol
3. Your Bank's Jabalpur AO ranked 1st, and TOLICs set up in the convenorship of its Surat, Jammu, Nizamabad AOs ranked 3rd in Regional Rajbhasha Awards by MHA, Gol
4. First, second and two incentive awards in RBI Hindi essay competition
5. Aashirwad First Prize for Best Official Language Implementation, Rajbhasha Ratna Award and PRAYAS Magazine best house magazine award
6. PRAYAS magazine audio version first in the country ranked in exemplary work on the website of Gol, MHA

5. MARKETING AND COMMUNICATION

The Marketing and Communications (M&C) Department is responsible for driving your Bank's brand and marketing initiatives to be your Bank of choice for the transforming India by providing financial solutions catering to the needs of every individual through our widest network across the country. With the objective of optimising our efforts in promoting the products and services, we have adopted an integrated marketing approach to give impetus to the digital initiatives by connecting with the youth.

The focus has been to promote its flagship product YONO for driving high download rates and increased usage of YONO. Various marketing initiatives has been devised for YONO:

- YONO Shopping Festival (YSF), a first of its kind shopping festival ever organised by any Bank across the country.